

# EXHIBIT

# 7

1                   IN THE UNITED STATES DISTRICT COURT  
2                   FOR THE EASTERN DISTRICT OF TENNESSEE  
3                   GREENVILLE DIVISION

4                   \_\_\_\_\_  
5                   ULTIMA SERVICES CORPORATON,

6                   Plaintiff,

7                   v.

Case No.

8                   U.S. DEPARTMENT OF

2:20-cv-00041-DCLC-CRW

9                   AGRICULTURE, ET AL.,

10                  Defendants.  
11                  \_\_\_\_\_

12                   DEPOSITION OF CELESTE BENNETT

13                  DATE:               Wednesday, March 16, 2022

14                  TIME:               9:34 a.m.

15                  LOCATION:           Remote Proceeding - DC

16                                       Virtual Zoom

17                                       Washington, DC 20005

18                  REPORTED BY:       Shondra Dawson, Notary Public

19                  JOB No.:           5106847  
20  
21  
22

Page 2	Page 4
1 APPEARANCES	1 PROCEEDINGS
2 ON BEHALF OF PLAINTIFF:	2 REPORTER: This is an audio test of
3 MICHAEL E. ROSMAN, ESQUIRE	3 5106487. This is an audio test. Ultima Services
4 Center for Individual Rights	4 Corporation versus U.S. Department of Agriculture, et
5 1100 Connecticut Avenue NW, Suite 635	5 al. This is an audio test. This is a second audio
6 Washington, DC 20036	6 test. This is a second audio test.
7 rosman@cir-usa.org	7 ELECTRONIC FEMALE VOICE: Recording in
8 202-833-8402	8 progress.
9	9 REPORTER: Good morning. My name is
10 ON BEHALF OF DEFENDANTS:	10 Shondra Dawson. I am the reporter assigned by
11 JULIET GRAY, ESQUIRE	11 Veritext to take the record of this proceeding. We
12 Department of Justice Civil Rights Division	12 are now on the record at 9:34 a.m. This is the
13 Employment Litigation Section	13 deposition of Celeste Bennett/Ultima Services
14 150 M Street, NE	14 Corporation taken in the matter of Ultima Services
15 Washington, DC 20530	15 Corporation versus the U.S. Department of Agriculture,
16 Juliet.gray@usdoj.gov	16 et. al, on March 16, 2022, remote via Zoom.
17 202-598-1600	17 I am a notary authorized to take
18	18 acknowledgements and administer oaths in the District
19 ALSO PRESENT:	19 of Columbia. Parties agree that I will swear in the
20 K'Shaani Smith, Counsel for Plaintiff	20 witness remotely outside of his or her presence.
21 Michelle Scott, Counsel for Defendant	21 Additionally, absent an objection on
22	22 the record before the witness is sworn, all parties
Page 3	Page 5
1 INDEX	1 and the witness understand and agree that any
2 PAGE	2 certified transcript produced from the recording
3 By Ms. Gray 11	3 virtually of this proceeding is intended for all uses
4	4 permitted under applicable, procedural and evidentiary
5 EXHIBITS	5 rules and laws in the same manner as a deposition
6 NO. DESCRIPTION PAGE	6 recorded by stenographic means and shall constitute
7 Exhibit 1 Lusa SAM.gov Entry 35	7 written stipulation of such.
8 Exhibit 2 3/16/18 Email from Ms. Bennett	8 At this time, will everyone in
9 To NRCS 149	9 attendance, please identify yourself for the record?
10 Exhibit 3 4/20/18 Email to	10 MS. GRAY: My name is Juliet Gray, and
11 NRCS South Dakota 153	11 I represent the defendants in this matter.
12 Exhibit 4 Complaint 158	12 MR. ROSMAN: My name is Michael Rosman.
13 Exhibit 5 Plaintiff Initial Disclosure 170	13 I represent the plaintiff and the witness in this
14 Exhibit 6 3/28/18 USDA Memorandum 174	14 matter.
15 Exhibit 7 2016 to 2021 Financial	15 MS. SMITH: My name is K'Shaani Smith -
16 Documents for Ultima and Lusa 185	16 - sorry.
17 Exhibit 8 Spreadsheet 206	17 THE WITNESS: Pardon me, K'Shaani.
18 Exhibit 9 5/30/20 Wells Fargo	18 MS. SMITH: My name is K'Shaani Smith.
19 Credit Application 222	19 I represent the defendant in this matter.
20	20 THE WITNESS: And I'm Celeste Bennett,
21 (*Exhibits attached.)	21 and I represent the plaintiff in this matter.
22	22 MS. SCOTT: I'm Michelle Scott, and I

<p style="text-align: right;">Page 42</p> <p>1 to say that there is overlap between a lot of the</p> <p>2 NAICS codes?</p> <p>3 A Not always. It depends.</p> <p>4 Q Okay. But what it sounds like you're saying</p> <p>5 is that work that you perform could potentially fall</p> <p>6 under many different NAICS codes.</p> <p>7 A Yes, it could.</p> <p>8 Q Okay. Could you generally describe this</p> <p>9 engineering services contract in Yuma, Arizona? What</p> <p>10 is the basic work that you're performing there?</p> <p>11 A So, we are a subcontractor. So, we are one</p> <p>12 of many subcontractors to a large business. And this</p> <p>13 contract is a full and open competition. So, we're</p> <p>14 just one of the subs. So, our work doesn't comprise</p> <p>15 all of the work under the contract. It provides, I</p> <p>16 guess, discrete sections that the prime has allocated</p> <p>17 to us. Specifically, we help with inventory</p> <p>18 management. We help with what's called data</p> <p>19 collection. We have heavy equipment mechanics. We</p> <p>20 have people who put sensors on things to test --</p> <p>21 Let me back up. That contract is</p> <p>22 established to test anything that someone in the</p>	<p style="text-align: right;">Page 44</p> <p>1 and then we'll take them over -- I'm not sure if</p> <p>2 you're familiar with large contracts in this way. But</p> <p>3 if you have what's called a full and open competition</p> <p>4 in the government -- so, it's not set aside for</p> <p>5 veterans or whatever. A lot of times, they have the</p> <p>6 set-aside requirements fall under the prime. So, I'm</p> <p>7 sorry. I'm getting a brain fart. What was your</p> <p>8 question? Because it's important that I tell you.</p> <p>9 So, the prime will have the responsibility</p> <p>10 for the work, but the government requires that they</p> <p>11 have so much of the prime maybe revenue dollars</p> <p>12 distributed among different socioeconomic small</p> <p>13 business set-asides. And so, sometimes, the prime has</p> <p>14 people already there, and then I might assume them,</p> <p>15 either from the prime or from another subcontractor.</p> <p>16 So, I don't always assist in recruiting. It just</p> <p>17 depends on what's happening.</p> <p>18 Q One of the NAICS codes you have listed here</p> <p>19 is for the postal service. What kind of work does</p> <p>20 Lusa do in that industry?</p> <p>21 A So, Ultima has performed that work for Fort</p> <p>22 Riley, Kansas. So, Lusa can perform that same work.</p>
<p style="text-align: right;">Page 43</p> <p>1 infantry might use in the field. So, before, let's</p> <p>2 say, a DOD company contractor makes a missile or a</p> <p>3 drone or anything or like a vehicle that might be</p> <p>4 deployed to the field, then this field contract -- and</p> <p>5 there are multiple types of contracts like this -- is</p> <p>6 used to test all of that in the environment it's meant</p> <p>7 to be used in to make sure that it's safe and</p> <p>8 effective for the soldiers who would use it on the</p> <p>9 battlefield.</p> <p>10 So, we're assisting in some capacity on</p> <p>11 those tests, but it can change, because tests change.</p> <p>12 Q And is this the contract with TRAX</p> <p>13 International?</p> <p>14 A Yes. TRAX is the prime contractor, and then</p> <p>15 we're one of the subcontractors.</p> <p>16 Q How long has Lusa had this contract?</p> <p>17 A We've had it for maybe since 2018, or we've</p> <p>18 been working on it, like when we were given some work.</p> <p>19 Q So, when you say, for example, you have</p> <p>20 heavy equipment mechanics, you just recruit and hire</p> <p>21 people with that specific experience. Right?</p> <p>22 A Yeah. So, either they have people on site,</p>	<p style="text-align: right;">Page 45</p> <p>1 So, we've actually performed a postal operations</p> <p>2 contract for the Army under Ultima.</p> <p>3 Q Okay. So, as long as one of your businesses</p> <p>4 has performed the work, you feel that you can</p> <p>5 represent that you have the capabilities to perform</p> <p>6 for the other business to perform that work?</p> <p>7 A Not necessarily, because I might have</p> <p>8 something on here that we've never done, but I feel</p> <p>9 like we could do. You have to understand when</p> <p>10 contracting officers sometimes assign a NAICS code...</p> <p>11 I'll give you an example of NASA. NASA has a NAICS</p> <p>12 code for a contract I was interested in that says it's</p> <p>13 like -- I don't know -- biological research or</p> <p>14 something.</p> <p>15 But when you talk to the contracting</p> <p>16 officer, they say, "No. This is just like a..." It</p> <p>17 would be more like a 541641. It's just they pick it</p> <p>18 because that's the group where the people are doing</p> <p>19 the work. So, it can just depend. So, you don't want</p> <p>20 to be overlooked because some contracting officer puts</p> <p>21 it under this NAICS code, but the work actually</p> <p>22 matches what you can do. Does that make sense to you?</p>

Page 62	Page 64
<p>1 A Yes.</p> <p>2 Q Is there a maximum number of people you</p> <p>3 think Lusa could employ based on your current business</p> <p>4 operation?</p> <p>5 A I would employ as many people as I could,</p> <p>6 because that's more work. So, I want to be</p> <p>7 successful. There are some instances where you might</p> <p>8 not want to do that. So, you might want to maintain</p> <p>9 your size. So, there are some cases where maybe I</p> <p>10 wouldn't have done that, or I wouldn't have sought out</p> <p>11 more work, because I was trying to preserve work that</p> <p>12 I had and didn't want to lose that in the future. So,</p> <p>13 that's a kind of, "It depends" answer.</p> <p>14 If we have the capability to hire more</p> <p>15 people, yes, we have systems that are scalable, and we</p> <p>16 are able to do that. It doesn't necessarily mean we</p> <p>17 would choose to do that.</p> <p>18 Q So, what do you mean by maintain your size?</p> <p>19 A So, if you have work with an agency that</p> <p>20 you've done business with for a long time like with,</p> <p>21 let's say, with NRCS. I had always tried to make sure</p> <p>22 that we could continue to bid on that type of work,</p>	<p>1 increase. So, you could become smaller and reenter</p> <p>2 your size standard and be able to compete the size</p> <p>3 standard you want to compete under, or the size</p> <p>4 standard can become bigger. And I don't know the</p> <p>5 methodology for that, but I know that size standards</p> <p>6 for NAICS codes have increased over time. And so, you</p> <p>7 can also hope for that, too.</p> <p>8 Q Do you think you could scale up your</p> <p>9 operation if you were successful at winning more bids?</p> <p>10 A Yes, I could. All of our operations, for</p> <p>11 the most part, are Cloud-based. So, that would be</p> <p>12 very easy to do.</p> <p>13 Q What do you mean by Cloud-based?</p> <p>14 A Sorry, system. I said operations. Our</p> <p>15 systems are Cloud-based. So, we could continue to use</p> <p>16 our existing payroll service. We wouldn't have to</p> <p>17 change that necessarily. We could use our existing</p> <p>18 benefits providers. We could use the offices that we</p> <p>19 have available. We could hire more people. We could,</p> <p>20 yes, because don't create anything. We have services</p> <p>21 business, so it is very scalable just by its nature.</p> <p>22 MS. GRAY: We've been going for about</p>
Page 63	Page 65
<p>1 because they were such an important client to us. So,</p> <p>2 that's an example for me.</p> <p>3 But in general, I'm aware there's some NAICS</p> <p>4 codes that are not -- The large/small business</p> <p>5 designation is not based on revenue but based on</p> <p>6 employee count. I don't know if those apply to me or</p> <p>7 not, but that's a scenario where a company might not</p> <p>8 want to increase their size, because it changes the</p> <p>9 competitive landscape for them.</p> <p>10 Q So, is it fair to say that, in some</p> <p>11 instances at least, the benefits of maintaining your</p> <p>12 size as a small business are better than increasing</p> <p>13 your business revenue and size?</p> <p>14 A Yes. That would be a decision you would</p> <p>15 make -- That could be a day-to-day business decision.</p> <p>16 It really just depends, because size standards are</p> <p>17 fluid also. So, you could conceivably be out of a</p> <p>18 size standard today, and in it tomorrow, and I mean</p> <p>19 that by year. So, it's not something that once you're</p> <p>20 out of it, you're just out of it. You can always go</p> <p>21 back to it.</p> <p>22 And also, size standards also might</p>	<p>1 an hour and a half. So, why don't we take a short</p> <p>2 break, about 10 minutes. Does that work for everyone?</p> <p>3 THE WITNESS: That would be great.</p> <p>4 Thank you.</p> <p>5 MS. GRAY: Okay. So, why don't we meet</p> <p>6 back here at 11:05.</p> <p>7 THE WITNESS: Do we need to stop video,</p> <p>8 or do I do anything on my end?</p> <p>9 MS. GRAY: Probably just mute. You can</p> <p>10 turn your video off if you want privacy, and then you</p> <p>11 can come back at 1:05. I mean -- I'm sorry -- 11:05.</p> <p>12 REPORTER: Okay. We are off the</p> <p>13 record.</p> <p>14 (Off the record.)</p> <p>15 ELECTRONIC FEMALE VOICE: Recording</p> <p>16 stopped.</p> <p>17 REPORTER: We are back on the record at</p> <p>18 11:06 a.m.</p> <p>19 BY MS. GRAY:</p> <p>20 Q Ms. Bennett, do you understand that you're</p> <p>21 still under oath?</p> <p>22 A Yes.</p>

Page 122	Page 124
<p>1 Q And was it ever certified as a service-</p> <p>2 disabled veteran-owned business?</p> <p>3 A It was. There is some sort of certification</p> <p>4 process for some group, and he did receive the</p> <p>5 certification.</p> <p>6 Q And did that business ever have any</p> <p>7 contracts with the federal government?</p> <p>8 A Not to my knowledge, and I kind of doubt it</p> <p>9 ever will.</p> <p>10 Q All right.</p> <p>11 MS. GRAY: So, I think we're finished</p> <p>12 with that topic, and I'm ready to move into some other</p> <p>13 topics. But I think maybe now, before doing that,</p> <p>14 would be a good time to take a lunch break. Does that</p> <p>15 work, if we're getting into another good topic?</p> <p>16 THE WITNESS: So, I can keep going or</p> <p>17 stop. Whatever you guys want to do.</p> <p>18 MS. GRAY: Does 45 minutes sound good,</p> <p>19 or does anybody need a full hour? What would y'all</p> <p>20 like to do?</p> <p>21 THE WITNESS: I don't need that much</p> <p>22 time, personally.</p>	<p>1 other topics now from the 30(b)6. Some of these</p> <p>2 topics kind of overlap a bit and relate. So, just to</p> <p>3 be efficient, I'm going to group some of them</p> <p>4 together. So, I'm going to talk now about Ultima</p> <p>5 and/or ask you about Ultima and Lusa's finances and</p> <p>6 sources of profit. So, that's Topics 1 and 2 and also</p> <p>7 Topic 6 and 7, which is Ultima and Lusa's efforts and</p> <p>8 ability to bid on federal government contracts.</p> <p>9 A lot of this stuff overlaps. So, it</p> <p>10 doesn't make a lot of sense to separate them out. So,</p> <p>11 I think you said that when you bought Ultima, it had a</p> <p>12 contract with the U.S. Army for alarm monitoring. Is</p> <p>13 that right?</p> <p>14 A Correct.</p> <p>15 Q And do you recall what NAICS code that was?</p> <p>16 A No.</p> <p>17 Q Do you recall the name of the industry?</p> <p>18 A No.</p> <p>19 Q And how long after you purchased Ultima did</p> <p>20 that contract end?</p> <p>21 A I don't remember.</p> <p>22 Q Did the work on that contract, did the U.S.</p>
Page 123	Page 125
<p>1 MS. GRAY: Ms. Dawson, I know --</p> <p>2 MR. ROSMAN: You let me know what would</p> <p>3 --</p> <p>4 MS. GRAY: Okay. Ms. Dawson, do you</p> <p>5 have a preference?</p> <p>6 REPORTER: No, I don't.</p> <p>7 MS. GRAY: Okay. Why don't we take 45</p> <p>8 minutes, if that's good for everybody? We can meet</p> <p>9 back at 1:15.</p> <p>10 THE WITNESS: Okay, great.</p> <p>11 MS. GRAY: Great.</p> <p>12 REPORTER: Okay, fine.</p> <p>13 MS. GRAY: Thank you.</p> <p>14 ELECTRONIC FEMALE VOICE: Recording</p> <p>15 stopped.</p> <p>16 (Off the record.)</p> <p>17 REPORTER: You may continue.</p> <p>18 BY MS. GRAY:</p> <p>19 Q Welcome back, Ms. Bennett. You understand</p> <p>20 that you're still under oath?</p> <p>21 A Yes.</p> <p>22 Q So, we're going to move into some of the</p>	<p>1 Army continue to seek bids for that work after the</p> <p>2 contract ended?</p> <p>3 A Yes.</p> <p>4 Q And did Ultima bid on that work?</p> <p>5 A I think so. I think we had it again, but I</p> <p>6 can't recall exactly if we did or not.</p> <p>7 Q Okay. After you purchased Ultima, was it at</p> <p>8 least a year that you continued to work on that</p> <p>9 contract?</p> <p>10 A I don't know, to be honest. Or I'm being</p> <p>11 honest, but I don't know.</p> <p>12 Q And you don't recall if you won another</p> <p>13 contract to perform the same work?</p> <p>14 A I thought we did, but I can't say. I don't</p> <p>15 want to say for certain.</p> <p>16 Q Okay. Do you know if you bid on that work</p> <p>17 more than one additional time?</p> <p>18 A I don't think so. It may have become civil</p> <p>19 servant work something.</p> <p>20 Q So, how soon after purchasing Ultima did you</p> <p>21 start bidding on other work for Ultima?</p> <p>22 A Like a date? I don't know.</p>

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1 Q Was it right away, or did you wait a while?

2 A It's so far back, I just don't remember when

3 it started bidding on other contracts.

4 Q Do you recall what the first contract it was

5 that Ultima bid on after you purchased the company?

6 A I recall having a -- excuse me -- a crossing

7 guard contract.

8 Q Was that with a city or local government?

9 A That would have been at Fort Riley, Kansas

10 with the Army.

11 Q So, you basically recruited crossing guards

12 to work there?

13 A Correct.

14 Q How long did that contract last?

15 A Multiple years from what I remember. I

16 don't recall how many exactly.

17 Q Was that contract reserved for small

18 businesses?

19 A Yes. To my recollection, it would have

20 been.

21 Q So, when does Ultima first bid on a contract

22 with the USDA?

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1 A In 2004.

2 Q And was that for work at NRCS?

3 A Correct.

4 Q And how did you learn about that

5 opportunity?

6 A It was posted online.

7 Q Were you regularly checking contract

8 websites that post contracts to bid on?

9 A Yes.

10 Q At that time, how many contracts would you

11 say you were bidding on in a year for Ultima?

12 A I have no idea. I just can't remember.

13 Q So, what was that first contract with NRCS

14 that Ultima bid on?

15 A It was with the state of South Dakota.

16 REPORTER: I'm sorry. Could you repeat

17 that, Ms. Bennett?

18 THE WITNESS: Sorry. It was with the

19 state of South Dakota. Can you hear me okay?

20 REPORTER: Yes. There's just a bit of

21 a static. When you speak closer into the microphone,

22 there's less of that feedback.

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1 THE WITNESS: Okay.

2 REPORTER: So, the closer you sit to

3 the microphone.

4 THE WITNESS: Okay.

5 BY MS. GRAY:

6 Q So, at that time, was that just the one NRCS

7 office that you were competing on work for?

8 A Can you clarify office?

9 Q Okay. I'll go back. So, you said it was

10 for the state of South Dakota. Were there multiple

11 NRCS offices in South Dakota?

12 A Yes.

13 Q Okay. So, you were bidding on work to staff

14 all of the NRCS offices in South Dakota, or just

15 particular ones?

16 A I think just particular ones.

17 Q Okay. And Ultima won that contract?

18 A Yes.

19 Q Was that contract reserved for small

20 businesses?

21 A Yes.

22 Q Was it set aside for HUBZone or any other

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1 specific type of company?

2 A No.

3 Q Do you recall the NAICS code that that

4 contract was in?

5 A No.

6 Q So, what was the type of work that Ultima

7 provided?

8 A I would describe it as administrative and

9 technical services, in a broad sense.

10 Q Can you just describe it more in like plain

11 language? What were the employees actually doing for

12 NRCS?

13 A So, they were assisting NRCS with contracts

14 between the landowners and the NRCS itself, and that

15 could be like the lifecycle of a contract --

16 inception, the application, all the way to funding and

17 monitoring it at closeout. They did a lot of audit

18 support. They could have done a lot of special

19 projects or analysis that might be required, depending

20 on what that office was doing.

21 And they might be assisting in the field,

22 which would be sort of a technical, but also



ERRATA SHEET  
VERITEXT CORPORATE SERVICES  
800-567-8658

ASSIGNMENT NO. CS5106487

CASE NAME: Ultima Services Corporation v. US Department Of  
Agriculture Et Al

DATE OF DEPOSITION: 3/16/2022

WITNESS' NAME: Celeste Bennett

PAGE/LINE(S)/	CHANGE	REASON
22, 5-6	delete text and change to "No. I worked on a company (which might never have been incorporated) called NucleNet at some point around or before LUSA was started." Reason: I misremembered.	
44, 7	delete "a" and replace "fart" with "fog" Reason: mistranscribed	
45, 18-19	delete "because that's just the group where the people are doing the work" Reason: I do not think I said this and it does not make sense.	
73, 5	replace "good" with "sought out" Reason: mistranscribed	
73, 7	replace "know" with "think" Reason: I misspoke.	
74, 21	replace "know" with "notify" Reason: mistranscribed	
84, 11	replace "541611" with "561110" Reason: Ultima's correct NAICS code today is 561110.	
85, 13	replace "rewards" with "awards" Reason: mistranscribed	
85, 13	replace "competitive" with "competition" Reason: mistranscribed	
85, 15	replace "reward" with "award" Reason: mistranscribed	
104, 13	delete "at our sister organization" Reason: We do not have a sister organization and I do not believe I said this.	
106, 16	add "officer" after "contracting" Reason: mistranscribed	
108, 6-7	replace "we didn't lose" with "if we lost" Reason: mistranscribed	
109, 4	delete "a proclamation" replace with "the Bureau of Reclamation" Reason: mistranscribed	
109, 10	replace "entities" with "areas" Reason: mistranscribed	



- 109, 11-13 delete "So you're trying to map it, but maybe other companies can map it better." Reason: Must be mistranscribed as I do not believe I said this.
- 113, 3 replace "can" with "can't" Reason: mistranscribed
- 134, 17 replace "in the Army" with "for the bid" Reason: mistranscribed
- 135, 7 delete "Yes, correct." Replace with "No. LUSA won a competitive contract in California." Reason: I misspoke.
- 169, 11 replace "got" with "were" Reason: mistranscribed
- 188, 9-10 delete "some kind of purchase for them" Reason: Mistranscribed. I do not think I said this.
- 201, 8-9 delete all text and replace with "work that falls under the engineering NAICS code" Reason: I misspoke.
- 261, 16 replace "program" with "problem" Reason: mistranscribed
- 266, 12-13 delete "that's fine. Guess we're not going to change it" replace with "that they weren't going to change the rating." Reason: mistranscribed
- 266, 22 replace "Ells" with "Alves" Reason: mistranscribed

I, Celeste Bennett declare that I have read the foregoing transcript, I have made any corrections, additions, or changes I deemed necessary as noted above to be appended hereto, and that the same is a true, correct and complete transcript of the testimony given by me.

Signed June 14, 2022.



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Celeste Bennett